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RR RUEHWEB

DE RUEHUL #1056 1440421  
ZNR UUUUU ZZH  
R 230421Z MAY 08  
FM AMEMBASSY SEOUL  
TO RUEHC/SECSTATE WASHDC 0132  
INFO RUCPDO/USDOC WASHDC 6923  
RUEKJCS/SECDEF WASHINGTON DC  
RUEPINS/HQ BICE INTEL WASHINGTON DC

UNCLAS SEOUL 001056

SIPDIS

STATE FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A  
TAGS: [AU](#) [ETTC](#) [KOMC](#) [KS](#)  
SUBJECT: RESPONSE TO BLUE LANTERN LEVEL  
3: POST-SHIPMENT END-USE CHECK LICENSE  
050064399

REF: A) STATE 044518

¶1. Per reftel, post contacted the Republic of Korea Air Force (ROKAF) and Kyongju Aerospace Electrical Systems (KAES) by email and phone. Due to resource constraints, a site visit was not conducted.

¶2. Mr. Kim Ki-Sang, Warrant Officer at ROKAF Logistics Command confirmed to Post that Kyongju Aerospace Electrical Systems (KAES) conducts overhaul maintenance of the F-5 aircraft. Moreover, Mr. Kim confirmed that KAES is an official DAPA defense supplier to ROKAF and is fully aware of its obligation to comply with the provisions of USML articles.

¶3. Since 2004 KEAS has been a DAPA-registered company. In 2008 the Ministry of Knowledge Economy (MKE) ? formerly the Ministry of Commerce, Industry and Energy renewed KAES' export license recognizing it as a reliable recipient of USML items.

¶4. Mr. Lee In-Seok, Executive Director (previously the General Manager) at KAES reported that it has had dealings with DAPA/ROKAF and other major DAPA-registered defense suppliers, such as Samsung Techwin and other DAPA-registered defense suppliers since 2000.

¶5. KAES has received the actuator (P/N: 1608199-1), but has not delivered it to ROKAF because it is being incorporated into the F-5 engine that is scheduled for delivery to ROKAF Logistics Command in June 2009. The signed contract between ROKAF and KAES regarding the maintenance of the F-5 aircraft will be sent separately by email.

¶6. The major products sold by KAES are the main generator systems for aircrafts, mainly the T-50 (a domestically-developed jet fighter), fuel pump motors and ventilators. Its main customers include DAPA, Korea Aerospace Industries, Samsung Techwin, Hanhwa, Hyundai Rotem and Doosan Infracore -- all DAPA-registered defense material suppliers. Since 2000 KAES has supplied

motors to DAPA and provided overhaul  
maintenance services to ROKAF.

¶7. KAES informed Post that it maintains a  
business management team (similar to an  
accounting division) within the company  
that records its sales.

VERSHBOW